

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 19 December 1974

Draft

REGULATION (EEC) OF THE COUNCIL

relating to the organisation of a survey of wages in industry

(submitted to the Council by the Commission)

Explanatory Memorandum

The Commission cannot carry out certain tasks assigned to it by the Treaty establishing the European Economic Community, in particular with respect to the implementation of Articles 2, 3, 117, 118, 120 and 122, without access to valid data, comparable for the different countries, on the cost of labour and on the incomes of wage-earners in the Community.

The Commission has therefore already organized two series of three annual surveys on the payloads of undertakings and workers' incomes, which, in accordance with Regulations 10, 14, 28 and 151 of the Council (1), covered the accounts for the years 1959 to 1964 in 14, 8 and 13 branches of industry respectively, and also three more extensive surveys of labour costs which, in accordance with Regulations 101/66/EEC, 1899/68/EEC and 2259/71/EEC (2), covered all sectors of industry on the basis of the accounts for the years 1966, 1969 and 1972. These surveys were carried out by the Statistical Office of the European Communities in collaboration with the national institutes of statistics and the ministries of labour of Member States. The results of the previous surveys were published in the "Social Statistics" series issued by the Statistical Office of the European Communities (3). The initial results of the 1972 survey were published in No. 3/1974 of the same series. (4)

The results of the surveys of wages carried out so far have provided representative data, which are greatly appreciated by governments and economic and social circles.

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- (1) Official Journal No. 56 dated 31 August 1960, p. 1199/60
Official Journal No. 55 dated 16 August 1961, p. 1054/61
Official Journal No. 41 dated 28 May 1962, p. 1277/62
Official Journal No. 133 dated 13 December 1962, p. 2841/62
 - (2) Official Journal No. 134 dated 22 July 1966, p. 2540/66
Official Journal No. L 289 dated 28 November 1968, p. 4
Official Journal No. L 238 dated 23 October 1971, p. 1
 - (3) No. 3/1961, 3/1962, 1/1963, 2/1964, 5/1964, 6/1965, 5/1966, 4/1969, 6/1970 and 3/1971, and in the 1968 supplement of "Statistical studies and surveys".
 - (4) On the initiative of the Commission a broadly analogous survey has also been effected for 1973 in the United Kingdom and Denmark; its results will be published at an early date.

While the first six surveys, covering the accounts of undertakings for the years 1959 to 1964, were restricted to a limited number of branches of activity, those for the years 1966, 1969 and 1972 provided a complete picture of the level and structure of labour costs for all branches of industry.

The activities of the Commission in the various sectors make it necessary, however, that the most recent possible figures on payloads should be available at all times. In collaboration with the competent authorities in Member States, the Statistical Office has, therefore, developed methods of updating the results of surveys of labour costs. In view of the fact that expenditure on wages and related costs is subject to substantial change, as has been shown by the results of previous surveys, the technique of updating can only provide results valid for the first few years following a survey; thereafter, the survey must be repeated. It was in this connection that the Working Party on "Survey of wages in industry", comprising representatives of governments (ministries of labour and national institutes of statistics) and of employers and labour, came to the conclusion that it would be necessary to repeat the surveys of labour costs at three-yearly intervals; this view was shared by the Commission and the Council, as the years 1966, 1969 and 1972 had been selected so far.

During the meeting of the Working Party on 4 and 5 July 1974, an agreement, with certain reservations from the Irish and British delegations, was reached at a technical level to the effect that the next survey of expenditure on wages and associated employers' contributions should be held in 1976, on the basis of the accounts for the year 1975.

So that the survey should not constitute too heavy a burden on the undertakings and on the budget of the European Communities, it is not intended that it should involve exhaustive returns from all undertakings, but that it should be based on a representative sample. The technical basis for the survey, i.e. the basic questionnaire, the survey methods, the programme for the

processing of the results and the arrangements for passing on the data, has been agreed with experts from the national statistical services, in order to ensure the comparability of the results and to derive the maximum of information from the survey.

As in 1972, the survey field covers companies employing at least 10 wage-earners. The comparability of the survey with that of 1972 and with other Community wage statistics (harmonized statistics on earnings and statistics on the structure and distribution of wages) covering the same field is thus ensured.

The survey envisaged would provide detailed statistical information on expenditure on wages and related costs by establishments and on the incomes of workers in all branches of industry, including the electricity, water and construction industries (1). It is intended that the results of this survey should be used as a new basis for the updating which is carried out regularly during intervening years.

Both government experts and the representatives of professional organisations for employers and workers have pressed that the decision to undertake this survey should be taken as quickly as possible, so that the undertakings forming part of the sample should be in a position at the beginning of 1975 to take the necessary measures for collecting the accounting data to complete the questionnaire.

With this in view, the Commission submits to the Council for its approval, the attached draft regulation.

In accordance with Article 8 of this Regulation, a flat-rate contribution for each returning establishment will be charged to the sum allocated for the purpose in the budget of the European Communities. On the basis of the experience of preceding surveys, the total cost of the survey of wages in industry envisaged in the draft regulation can be estimated at 1 008 000 units of account (84 000 companies at 12 units of account per questionnaire).

(1) Classes and groups falling under Divisions 1 to 5 of the general nomenclature of economic activities in the European Communities (N.A.C.E.)

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REGULATION (EEC) OF THE COUNCIL

relating to the organisation of a survey of wages in industry

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

having regard to the Treaty establishing the European Economic Community and, in particular, Article 213,

having regard to the draft regulation submitted by the Commission,

whereas, in order to accomplish the tasks assigned to it by the Treaty, in particular those set out in Articles 2, 3, 117, 118 120 and 122 thereof, the Commission must be kept informed of the position and trend of wages and other labour costs in the nine Community countries, in particular as regards labour costs and the incomes of workers;

whereas in the absence of statistical information which will allow reliable comparisons to be made, in particular because of the discrepancies existing between the laws, regulations and administrative practices of the Member States, surveys are carried out and the results evaluated on the basis of standard definitions and by standard methods;

whereas the best method of assessing the level, composition and trend both of the cost of labour and of the incomes of workers in industry is to carry out specific Community surveys, as has been done since 1959, in accordance with Council Regulations No. 10(1), No. 14(2), No. 28(3), No. 151(4), No. 101/66 EEC(5), (EEC) No. 1899/68(6), (EEC) No. 2259/71(7), on the basis of accounting information for the years 1959-1964, 1966, 1969 and 1972;

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- (1) Official Journal No. 56 dated 31 August 1960, p. 1199/60
 - (2) Official Journal No. 55 dated 16 August 1961, p. 1054/61
 - (3) Official Journal No. 41 dated 28 May 1962, p. 1277/62
 - (4) Official Journal No. 133 dated 13 December 1962, p. 2841/62
 - (5) Official Journal No. 134 dated 22 July 1966, p. 2540/66
 - (6) Official Journal No. L 289 dated 29 November 1966, p.4
 - (7) Official Journal No. L 238 dated 23 October 1971, p.1

whereas, since expenditure by undertakings on wages, salaries and related costs is subject to substantial change, it is appropriate to carry out a new survey based on accounting data for the year 1975 in order to bring up to date the results of the previous survey, based on data for the year 1972 or 1973;

whereas, because of the extensiveness of the survey field it is necessary to apply the sampling method so that the survey does not constitute too heavy a burden on the undertakings and on the budget of the European Communities and the Member States,

HAS ADOPTED THIS REGULATION:

Article 1

Within the framework of its periodic surveys relating to labour costs and the incomes of workers, the Commission shall in 1976 on the basis of accounting data for the year 1975 undertake a survey of labour costs (manual and non-manual workers) and on the incomes of workers in industry.

Article 2

The survey shall cover all industrial establishments or undertakings and, where appropriate, craft companies or enterprises. It shall cover all industrial activities, including the electricity, water and construction industries. The field of the survey shall be circumscribed by Divisions 1 to 5 of the General Nomenclature of the Economic Activities in the European Communities (N.A.C.E.). The statistical unit shall be the undertaking, whatever its legal form, employing at least ten employees.

The survey shall be carried out on a sampling basis.

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Article 3

Employers shall, in respect of given undertakings which are subject to investigation, supply the information needed to determine labour costs (manual and non-manual workers) and workers' income on the basis of the accounting data for the whole of the year 1975, in the manner set out hereafter.

Article 4

The survey shall cover:

- (a) Costs of wages and salaries, including bonuses and allowances, and all incidental expenditure, in particular employers' contributions to social security and supplementary schemes, expenditure and other social payments, including the cost of vocational training of employees;
- (b) the number of employees engaged in the undertakings; and
- (c) the number of hours worked by the employees.

Article 5

The information shall be gathered by the statistical offices of the Member States by means of questionnaires drawn up by the Commission in cooperation with these offices.

The Commission shall, in cooperation with those offices, determine the detailed procedure for the survey. Further, it shall lay down in the same way the starting and closing dates of the survey and the time limit for replying to the questionnaires.

Persons required to supply information shall reply to the questionnaire truthfully, fully and within the time limit set.

Article 6

The statistical services of Member States shall analyse the replies to the questionnaires. They shall forward to the Commission the results of the survey, excluding individual items of information, in accordance with the evaluation programme laid down by the Commission; the results shall be broken down by industrial sector, region and size category of undertaking.

Article 7

Individual items of information supplied for purposes of the survey shall be used for statistical purposes only. It shall be prohibited to use the information for taxation purposes, or to communicate it to third parties.

The Member States shall take appropriate measures to avoid any infringement of:

- (a) the obligation to supply the information referred to in Article 3, and
- (b) the obligation, under the first paragraph of this Article, to maintain secrecy as regards the information obtained.

Article 8

For the conduct of the survey, Member States shall receive a flat-rate sum proportional to the number of undertakings questioned. This amount shall be set off against the appropriations provided for this purpose in the budget of the European Communities.

This regulation shall be binding in its entirety and directly applicable in all Member States.

Done at , on

For the Council
The President